

1 Add 2 Cal. Code Regs. Section 18536 to read:

2
3 **18536. Transfer and Attribution of Contributions.**

4
5 For purposes of Government Code section 85306:

6 ~~(a) Campaign funds received on and after January 1, 2001, may be transferred from any~~
7 ~~other committee controlled by a candidate to the candidate's controlled committee for an elective~~
8 ~~state office only if all of the following apply:~~

9 ~~(1) (a) The committee transferring the funds must designate in its records at the time of~~
10 ~~the transfer whether it elects a "first in, first out" or a "last in, first out" method of accounting for~~
11 ~~transfers. A transferring committee must make this election on a one-time basis~~ *for the life of*
12 *the committee.*

13 ~~(A) (1) "First in, first out" means that campaign funds being transferred are attributed to~~
14 ~~the transferring committee's contributors in chronological order beginning with the first~~ *earliest*
15 ~~of its contributors or, if there has been a prior transfer, beginning with the earliest contributor for~~
16 ~~which unattributed contributions remain.~~

17 ~~(B) (2) "Last in, first out" means that campaign funds being transferred are attributed to~~
18 ~~the transferring committee's contributors in reverse chronological order beginning with the most~~
19 ~~recent of its contributors or, if there has been a prior transfer, beginning with the most recent~~
20 ~~contributor for which unattributed contributions remain.~~

21 ***(3) Campaign funds shall be attributed to contributors in the lesser of the following***
22 ***amounts:***

23 ***(A) The actual amount of the original contribution from the person to whom the***
24 ***campaign funds are being attributed;***

25 ***(B) The applicable contribution limit under Government Code section 85301 or 85302;***

26 ***or***

1 *(C) The amount of campaign funds the committee is seeking to transfer that has not yet*
2 *been attributed.*

3 ~~(2)~~ (b) Transferred campaign funds shall include any inventory, equipment, or other
4 assets to be transferred to the receiving committee and shall be attributed to specific contributors
5 at the time of transfer using the fair market value of the asset at the time of the transfer.

6 ~~(3)~~ (c) Except as provided in subdivisions (b) and (c) of Government Code section 85306,
7 campaign funds transferred, when aggregated with all other transfers attributable to, and
8 contributions from, the same contributor, may not exceed the contribution limits applicable to the
9 candidate at the time of the transfer. Campaign funds attributed to a contributor who is a
10 candidate for elective state office at the time of the transfer, when aggregated with all other
11 contributions from that contributor, may not exceed the amount provided in Government Code
12 section 85301(a).

13 ~~(b)~~ (d) A candidate or committee that transfers contributions from a controlled committee
14 to another committee controlled by the candidate shall:

15 (1) Maintain records that identify the specific contributors to whom any transferred
16 contributions have been attributed pursuant to the “last in, first out” or “first in, first out” election
17 of the transferring committee.

18 **{Record keeping requirements added at the suggestion of FTB}**

19 (2) For transfers attributed to contributors for which detailed records are no longer
20 required to be maintained by the transferring committee by Government Code section 84104, the
21 receiving committee shall maintain either:

22 (A) Such records from the transferring committee as are sufficient, pursuant to
23 paragraphs (1), (5) and (6) of subdivision (f) of Government Code section 84211, to confirm the
24 identity of the original contributors to whom transfers are being attributed; or

25 (B) Copies of the original verified and filed campaign reports that show the original
26 contribution received from each contributor to whom a transferred contribution is attributed.

27 **{Decision 1—Whether to require disclosure of attributed contributors.}**

28 (3) Disclose on the receiving committee’s campaign statement each attributed
29 contribution of one hundred dollars (\$100) or more transferred to the receiving committee,
30 including the following information:

1 (A) The attributed contributor's name;

2 (B) The date the attributed contribution was received by the transferring committee;

3
4 **{Decision 2—Mandatory disclosure of address, occupation, employer and ID no.}**

5 (C) The attributed contributor's street address;

6 (D) The attributed contributor's occupation;

7 (E) The name of the attributed contributor's employer, or if self-employed, the name of
8 the contributor's business;

9 (F) If the contributor is a recipient committee, the committee identification number.

10 **{Decision 3—Restricting contributions concurrently raised.}**

11 **{Option a}** ~~(e)~~ (e) A committee controlled by a candidate may not transfer to a
12 committee for elective state office of the same candidate funds received by the transferring
13 committee on or after the date the candidate has filed a statement of intention for the elective
14 state office pursuant to Government Code section 85200.]

15 **{Option b}** ~~(e)~~ (e) Funds originally received on or after the date a candidate has filed a
16 statement of intention for an elective state office pursuant to Government Code section 85200
17 that are transferred to the elective state office committee shall be attributed using the "last in,
18 first out" method of attribution.]

19 **{Option c}** ~~(e)~~ (e) A committee may not transfer funds under this regulation that exceed
20 its cash on hand on the day the receiving committee qualified under Government Code section
21 82013 if contributions made to the transferring committee after that date that are included in the
22 transfer would have violated Government Code section 85301 or 85302 if made directly to the
23 receiving committee.

24 ~~(d)~~ (f) Transfers made prior to a primary election, when aggregated with all other
25 transfers attributable to, and contributions from, the same contributor, may include amounts that
26 could have been raised for the general election pursuant to Government Code section 85318.

Transfers made under this authority will comply with the requirements of Government Code section 85318.

{Decision 4—Application of regulation to candidates for statewide office.}

Option a (date of election for which committee was formed determines application): ~~(e)~~ (g) This regulation does not apply to a candidate for statewide elective office, or the candidate's controlled committee for that office, in an election held before November 6, 2002. This regulation applies on and after November 6, 2002, to a candidate for statewide elective office, and the candidate's controlled committee for that office, in an election held on or after November 6, 2002.

Option b (date of activity determines application): ~~(e)~~ (g) This regulation applies to candidates and controlled committees for statewide elective office on and after November 6, 2002.

NOTE: Authority cited: Section 83112, Government Code. Reference: Sections 85200, 85305, 85306 and 85318, Government Code.